THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) The members of the Fifth Pay Commission visited Malaysia, New Zealand, Canada and United Kingdom. The period of their stay in these countries was as under:

Kuala Lumpur	(Malaysia)	—Three days.
Wellington	(New Zealand)	— Four days.
Ottawa	(Canada)	—ThreeDays.
London	(United Kingdom)	— Four days.

(b) The Visits were performed during 1995-96. The total expenditure incurred on these visits was Rs. 15.78 lakhs approximately. The provision in the budget for 1995-96 for this purpose was Rs. 20.00 lakhs.

Proposal for Reduction of Corporate Tax and Abolition of Double Taxation

1080. DR. D. VENKATESHWAR RAO: Will the Minister of FINANCE be pleased to state:

(a) whether the All India Association of Industries has urged the Finance Ministry to reduce the corporate tax to thirty five percent and abolish double taxation to boost exports and give an impetus to the capital markets; and

(b) the other simplification proposed to be undertaken to widen the tax net?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P: VEERENDRA KUMAR): (a) Yes, Sir.

(b) The Government proposals are contained in the Finance Bill, 1997.

Government order regarding Investigations of Bank Officials

1081. SHRI RAJ NATH SINGH:
SHRI O.P. KOHLI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have issued an order that the CBI will not investigate the affairs of bank officals above the rank of General Manager (equivalent to Deputy Secretary) without prior permission from the Ministry of Finance;

(b) if so, the reasons for the move to 'shield' bank officials and interference into the working of the prime investigating agency; and

(c) the steps taken to withdraw the order?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) to (c) The Government have not curtailed the powers of the Central Bureau of Investigation (CBI). According to the Single Directive, as amended from time to time, which has been issued after taking into account the views of the CBI, in regard to decision making level officers (Joint Secretary or equivalent or above) in the Central Government or such officers as are or have been on deputation to Public Sector Undertaking; Board level officers in Public Sector Undertaking; Officers of the Reserve Bank of India of the level equivalent to Joint Secretary or above in the Central Goverment, Executive Directors and above of the SEBI and Chairman and Managing Directors and Executive Directors and such of the Bank officers who are one level below the Board of Nationalised banks, there should be prior sanction of the Secretary of the Ministry/Department concerned before CBI takes up any enquiry (Preliminary Enquiry or Regular Case) including ordering search in respect of them. This provision in the Single Directive has been provided to ensure that the honest officers at the decision making level are protected against unnecessary investigation while the corrupt and guilty are punished. There is no proposal to withdraw the directive in this regard.

Newsitem Regarding slow down in Economy

1082. SHRI IQBAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item published in the "The Tribune" dated 5th February, 1997, under this caption "Economy to slow down";

(b) if so, the full details thereof, sectorwise and the reasons therefor; and

(c) Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Yes, Sir.

(b) and (c) As per the advance estmates released by the Central Statistical Organisation, growth in gross domestic product (GDP) in real terms (at 1980-81 prices) at factor cost in placed at 6.8 per cent for 1996-97 compared with 7.1 per cent in 1995-96 (quick estimates). The comparative sectoral growth profile of GDP during 1995-96 is indicated below:—

Growth rates in GDP at factor cost at 1980-81 prices by sectors

	Sector	Growth rates in per cent	
		1995-96(Q)	1996-97(A)
1.	Agriculture, forestry & fishing	-0.1	3.7
2.	Mining and quarrying	7.0	1.7
3.	Manufacturing	13.6	10.6
4.	Electricity, gas and water supply	9.1	4.2
5.	Construction	5.3	4.6
6.	Trade, hotels, transport and communication	13.3	9.4
7.	Financial, real estate and business services	4.0	6.3
8.	Community, social and personal services	6.2	4.9
	Total GDP at factor cost	7.1	6.8

Q: Quick Estimate, A: Advance Estimate

Since June 1996, the pace of economic reforms has been revived to promote faster growth, Several reform measures have been undertaken in the area of industrial delicensing, infrastructure sectors, foreign investment, trade policy, capital market and financial sector.

Steps for Accelerating Economic Reforms

1083. SHRI IQBAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) what steps are being taken by Government for accelerating ecnomic reforms and achieving higher growth in the country;

(b) the details thereof; and

(c) if no steps are being taken, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) to (c) The economic reforms undertaken over the last few years have put the Indian economy on a higher growth path. Growth of real gross domestic product at factor cost, which had fallen to a mere 0.8 per cent in the crisis year of 1991-92, accelerated to an average grwoth of around 7 per cent over the last three years (1994-95 to 1996-97). The Economic Survey 1996-97 presented to the Parliament a few days ago provides a comprehensive review of the ongoing economic reforms and the current state of the Indian economy.

Recommendations of Committee Concerning Company Take-overs

1084. SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to state:

(a) the details of the major recommendations of the Committee chaired by Justice P.N. Bhagwati concerning company take-overs;

(b) Government's decisions on these recommendations; and

(c) whether the Securities and Exchange Board of India proposes to review the take-overs that have taken place during the past five years and order retrospective de-merger in instances where any or all of the recommendations of the Bhagwati Committee are grievously in the breach?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) The recommendations of the Bhagwati Committee